

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

SUPPLEMENTARY EXAMINATION

TRIMESTER 1, 2015/2016

BAE1034 – ENGLISH FOR BUSINESS STUDIES
(Business and Management Faculties)

18 NOV 2015
2.30 PM – 4.30 PM
(2 HOURS)

INSTRUCTIONS TO STUDENTS

1. This Question Paper consists of SEVEN pages.
2. Answer ALL questions in Sections A, B and C.
3. Write all your answers in the Answer Booklet provided.

SECTION A: READING COMPREHENSION [25 MARKS]

Instructions: Read the passage carefully and answer ALL questions that follow.

Apple Won't Always Rule. Just Look at IBM.

1 Apple cannot grow like this forever. In fact, no company can. In a few short years, Apple has become the biggest company on the planet by market value. It has grown so big that it dwarfs every other one on the stock market. It dominates the Standard & Poor's 500-stock index (S&P 500) as no other company has in 30 years. 1

2 Apple's market capitalisation, the value of all of the shares of its stock, is more than \$758 billion, greater than any other company's value. However, the Wall Street consensus is that Apple is still having a growth spurt. In fact, if Apple's watches, phones, laptops and other gadgets and services keep generating favourable publicity, and if its quarterly earnings report is as strong as the market expects it to be, there is a reasonable chance that Apple's value will keep swelling. 5

3 However, even if Apple still has some room to run, there are some early warning signs. After all, the company has already crossed a significant threshold. In February, it grew to twice the size of the next biggest company in the S&P 500, a rare feat of financial dominance, and one that has not happened since Ronald Reagan was president. Howard Silverblatt, senior index analyst at S&P Dow Jones Indices, found that the last market colossus to tower over its competitors by a two-to-one ratio was IBM, which did it in three successive years: 1983, 1984 and 1985. "That was when personal computers were new," he said, "and just about everyone thought IBM would rule the world." 10

4 Now, it is Apple's world. Apple is the most widely held stock in American mutual fund portfolios. IBM, the former undisputed heavyweight champion, is not even in the running anymore. Now, it ranks 62nd, according to an analysis performed recently by an independent investment research, Morningstar. IBM is still an important company, but it is struggling. Investors judge it to be worth less than one-quarter of Apple's market value today. What happened to IBM on how it became this small in comparison with Apple is worth remembering. By some measures, it was vastly more important than Apple is today. Measured by market cap, for example, IBM accounted for a staggering 6.4 per cent of the S&P 500 in 1985 (IBM's peak year), making it 2.35 times the size of the second-biggest company of its day, Exxon. Now, Microsoft is the second biggest and Exxon Mobil is third, both roughly one-half the size of Apple. Exxon Mobil is followed in market cap by Google and Johnson & Johnson. 15

5 2. After the market closed recently, Apple's share of the S&P 500 was 4.1 per cent, a formidable percentage and a huge increase from December 31, when it was 3.35 per cent. Nevertheless, its weight in the market is nothing like IBM's in the 1980s, when IBM finished seven calendar years with a market weight above 4 per cent which Apple has not yet achieved, the data shows. At IBM's 1985 peak, its share of the S&P 500 was more than one and half times the size of Apple's today. 20

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6 IBM operated in a different league than Apple does now. A business machine company at its roots, IBM never aspired to pop-culture coolness, but its prestige was extraordinary. You cannot measure prestige easily with numbers, but consider that in 1987, two IBM scientists based in Zurich won the Nobel Prize in Physics for a breakthrough in superconductivity. It was the second consecutive year that IBM scientists won the prize. In 1986, they won it for inventing an instrument known as the scanning tunneling electron microscope. All of *them* did deep, basic research of which IBM was justly proud. Apple's research today is impressive, but it has generally been product-driven, not the kind of fundamental work that IBM did. 45

7 3. In the 1980s, at the height of its powers, it continued to come up with scientific breakthroughs and ultrafast computers, but its focus on its own product lines and customer service flagged. IBM "naively" handed over crucial parts of the computer business to companies like Microsoft and Intel, while its own profit margins began to erode, Dr. Quinn Mills, a professor at the Harvard Business School, has written. 50

8 For the most part, investors minimised those problems, if they were even aware of them. In those days of hulking mainframes, IBM was the quintessential computer company, and its hegemony in the stock market seemed unstoppable. It is no wonder that a young Steve Jobs, the co-founder of the upstart Apple Computer company, took direct aim at IBM in a speech in San Francisco in the fall of 1983, deriding IBM as arrogant and short sighted and predicting that it would soon be humbled. 60

9 4. For decades now, IBM has engaged in a sometimes painful transition, and as it revealed in its quarterly earnings report recently, it is still hurting. Its revenues have declined and it has endured wrenching business shifts. IBM has been getting out of slow-growing old businesses, like personal computers, disk drives, low-end server computers and chip manufacturing, but its new initiatives in fields like data analytics, cloud computing and mobile apps for corporate customers have not entirely succeeded yet. 65

10 In a turnaround, IBM's mobile app strategy relies on a partnership with the current giant, its old nemesis, Apple. IBM is leveraging its prowess with supercomputers and artificial intelligence with a new initiative, Watson Health, which includes Apple. That alliance could help both companies grow. In Apple's case, it has to ensure that its products work more seamlessly in corporate environments where IBM is deeply entrenched. 5. IBM has proven that scenario and showed how unstable it can be. Sooner or later, Apple investors will have to take that lesson to heart. 70

80

Adapted from Sommer, J. (2015, April 25). Apple won't always rule. Just look at IBM.
Retrieved from: <http://www.nytimes.com/2015/04/26/your-money/now-its-apples-world-once-it-was-ibms.html>

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Question I (5 marks)

Instructions: Decide which of the sentences (a) – (e) best fits in each of the boxes 1–5 in the passage.

- a. IBM thrived for years afterward, but just as Jobs had predicted, it turned out to be vulnerable to disruptive change.
- b. With hindsight, it is clear that IBM's Olympian status was part of its problem.
- c. Rapid growth, after all, is not a sure thing, especially when you are already the biggest company in the world.
- d. Not far down the road, it might even reach the \$1 trillion level that some hedge funds predict.
- e. Apple has an outsize influence today.

Question II (5 marks)

Instructions: Find a word in the passage for each of the meanings below.

- a. makes others look small and tiny (paragraph 1)
- b. in a great manner (paragraph 4)
- c. tried to reach or to become something (paragraph 6)
- d. representing the most perfect class (paragraph 8)
- e. a long-standing rival (paragraph 10)

Question III (2 marks)

Instructions: Provide the references for the following pronouns in the passage.

- a. *it* (line 30)
- b. *them* (line 51)

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Question IV – Word Formation (5 marks)

Instructions: Complete the sentences by using the correct form of the word in parentheses taken from the passage. Use AFFIXES to form the correct word as shown in the example.

Example: (0) It is problematic for the poor nations when they have to compete with other nations that have faster growth rate in a lot of areas. (GROW).

- a. Before purchasing any house, potential buyers should get _____ advice and insight from those who have the experience and knowledge in dealing with property acquisition. (VALUE)
- b. Companies with solid _____ strategy will still need to ensure their goods and services are of high quality. (MARKET)
- c. Employees are important assets for any organisations and retaining them requires rewarding them in the form of yearly salary _____. (INCREASE)
- d. The line manager of the semiconductor company which makes microchips is always on her toes to ensure the _____ has zero-defect. (PRODUCT)
- e. An effective customer service officer should try to address to customers problems _____ instead of asking his / her subordinate to attend to it. (PERSON)

Question V (8 marks)

Instructions: Answer the following questions in complete sentences.

- a. Provide two evidences to show that Apple is the biggest company on the planet today. (2 marks)
- b. What is the meaning of “the former undisputed heavyweight champion” (lines 24-25)? (1 mark)
- c. What were the prestigious and extraordinary contributions by IBM? (2 marks)
- d. Why did Steve Jobs deride IBM as arrogant and short sighted and predict that it would soon be humbled? (2 marks)
- e. What does the author try to imply by stating that Apple investors will have to take the lesson about IBM to heart? (1 mark)

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SECTION B : LANGUAGE FOCUS [15 MARKS]**Question I – Conditionals (5 marks)**

Instructions: Complete the sentences by using the correct form of the conditionals.
The first one has been done for you.

Example: (0) Martin failed in his job interview. He was so nervous.
If Martin had not been so nervous, he would not have failed in the job interview.

1. Negotiation was not easy because we did not know much about their culture.
If we _____.
2. You should customise your CV for better chances of securing a job.
If you _____.
3. He did not deliver the goods to your office. He did not have the time.
He would _____.
4. Just keep all the letters for me with you.
If there _____.
5. We did not complete the work efficiently because we did not have enough employees.
If we _____.

Question II – Passive-Active Sentences (5 marks)

Instructions: Change these passive sentences into active ones. The first one has been done for you.

Example (0) Two new services will be offered by the company next month.
The company will offer two new services next month.

1. The company procedures must be respected at all times.
_____.
2. The candidates are not being interviewed by the executives in the meeting room now.
_____.
3. The certified documents can be collected by the employees from tomorrow onwards.
_____.
4. About 50 employees were retrenched by the company last year during the economic recession.
_____.

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5. Two serious omissions of income were discovered and corrected before the accounting records were reviewed by the auditor.

Question III – Phrasal Verbs (5 marks)

Instructions: Complete the sentences by using the correct form of the phrasal verb in the box. You may need to change the tenses. The first one has been done for you.

drag on	hand out	use up	sort out
	break into	merge into	

Example (0) I thought the meeting would be a short one, but it dragged on for more than three hours.

1. Cheung Kong Property combines real estate assets of billionaire Li Ka-shing's two main companies which _____ CK Hutchinson Holdings Ltd last month in the biggest reorganisation of corporate empire.
2. Let me start explaining the changes while Jason _____ a copy of the new policy.
3. I cannot believe that it is already June, and I have _____ all my sick leave.
4. Although we do not sell many of our products in Asia yet, we plan to really _____ that market by the end of next year.
5. I have asked my Personal Assistant to _____ the travel arrangements for our trip to China. She will have it all organised in no time.

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SECTION C: PERSUASIVE WRITING [20 marks]

Instructions: Read the description and complete the given task below using open punctuation and fully blocked layout of a formal letter.

You are the manager of Advanced Electronics Company which manufactures and sells modern home electronic appliances and maintains services of electronic goods. One of your regular and loyal customers purchased a smart television set worth RM7999 on a 12-month interest-free instalment basis. After the third instalment payment, the customer failed to fulfil his credit obligation. A reminder was sent two weeks back, but it yielded no response.

Write a credit collection letter (of about 250-300 words) to the customer as a second reminder. Among the pertinent details to be included in the letter are the:

- possible suggestions to meet the credit obligation and resolve the issue of unpaid balance
- future implications of unsettled credit balance in case of no action taken

You need to include all the other necessary details in the content of the letter to make your message effective.

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